

## The Japanese Budgetary Process

<u>Date</u>	<u>Event</u>
Spring	Ministry of Finance (MOF) informally consults with ministries about requirements for the coming year.
June or July	The Cabinet approves MOF proposed ceilings for budget requests being prepared by ministries. MOF also makes its first revenue and expenditure estimates during the summer.
End of August	Ministerial requests are presented to MOF.
September	MOF begins the examination and hearings process for requests.
Fall	MOF fits ministerial requests into a framework of revised revenue and expenditures estimates. This process is subject to considerable informal political pressure.
Late December	MOF budget draft is presented to other ministries. Presentation is followed by a week of "revival" negotiations during which other ministries and agencies, with the support of their allies in the Diet, argue for restoration of cuts made by MOF. Cabinet members and the three senior Liberal Democratic Party leaders meet at the end of the week to make final decisions.
Year's end	Government budget draft, which is almost never changed in the Diet, is approved by the Cabinet.
January-March	Government draft is presented to the Diet. Public hearings, committee deliberations, and passage by the Lower and Upper Houses follow. Opposition parties may delay passage to force concessions on other issues, but the contents of the budget generally remain unchanged.
End of March	Official budget is approved.
April	The new fiscal year begins.

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